Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

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PAGE 01 PEKING 02900 140752Z
ACTION EA-06

INFO OCT-01 SS-14 ISO-00 SP-02 EB-04 H-01 INR-05
NSC-05 CIAE-00 TRSE-00 /038 W
----------005366 151337Z /40 S
R 140730Z SEP 78
FM USLO PEKING
TO SECSTATE WASHDC 2025

C O N F I D E N T I A L PEKING 2900

LIMDIS

E.O. 11652: GDS
TAGS: EIND ETRD CH US
SUBJECT: TEXTILE RESTRAINTS ON PRC

REF: PEKING 2854

1. ON SEPT 12, AMBASSADOR MET WITH PETER G. SCOTESE, PRESIDENT AND VICE CHAIRMAN OF SPRINGS MILLS, NEW YORK CITY AND M. COURTNEY LANKFORD, PRESIDENT OF RETAIL AND SPECIALTY FABRICS DIVISION. SCOTESE AND LANKFORD HAVE BEEN VISITING PRC AT THE INVITATION OF THE CHINA NATIONAL TEXTILES IMPORT AND EXPORT CORPORATION (CHINATES) AND HAVE HAD AN OPPORTUNITY TO DISCUSS WITH THE CHINESE THE ISSUE OF POSSIBLE U.S. TEXTILE RESTRAINTS.

2. SCOTESE AND LANKFORD INDICATED THAT CHINATEX OFFICIALS ARE CLEARLY CONCERNED ABOUT THIS PROBLEM. AMONG OTHER ARGUMENTS, CHINESE EMPHASIZED THAT IT IS UNFAIR FOR THE U.S. TO IMPOSE RESTRAINTS WHEN PRC TEXTILE IMPORTS TO THE U.S. ARE SUBJECT TO THE HIGH NON-MFN DUTIES.

3. WHILE STRESSING THAT HE WAS NOT SPEAKING ON BEHALF OF U.S. TEXTILE INDUSTRY, SCOTESE SAID HE FELT THERE WAS SOME MERIT TO THE PRC POSITION. HE NOTED THAT PRC
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PRESENTLY HAS A RELATIVELY SMALL SHARE OF THE U.S. MARKET, ALTHOUGH THE POTENTIAL IS GREAT. SCOTESE FEELS THAT THE CHINESE COULD BE COMPETITIVE IN SOME SEGMENTS OF THE U.S. MARKET WHICH WOULD NOT INJURE THE U.S. DOMESTIC INDUSTRY (HE MENTIONED ALL-COTTON FABRICS AND APPAREL) AND THAT THE BEST SOLUTION WOULD BE TO STEER THEM IN THAT DIRECTION. SCOTESE WAS CONCERNED ABOUT MISUNDERSTANDING

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DUE TO POOR COMMUNICATION ON THIS ISSUE. HE ADDED THAT
INDUSTRY-TO-INDUSTRY CONTACTS MIGHT AMELIORATE THE
SITUATION AND PERHAPS EVEN RESOLVE THE PROBLEM BY DIRECTING
CHINESE ENERGIES INTO NON-CONTENTIOUS AREAS AND BY
GIVING THE U.S. INDUSTRY A BETTER UNDERSTANDING
OF THE CHINESE POSITION. HE INTENDS TO PURSUE THIS APPROACH
WHEN RETURNS TO THE U.S. AND TO RECOMMEND TO ATMI THAT
THAT ORGANIZATION PROPOSE THAT CHINATEX INVITE A U.S.
TEXTILE INDUSTRY MISSION TO THE PRC TO DISCUSS THE ISSUE.
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Message Attributes

Automatic Decaptioning: Z
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Control Number: n/a
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Draft Date: 14 sep 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
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TAGS: EIND, ETRD, CH, US
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